

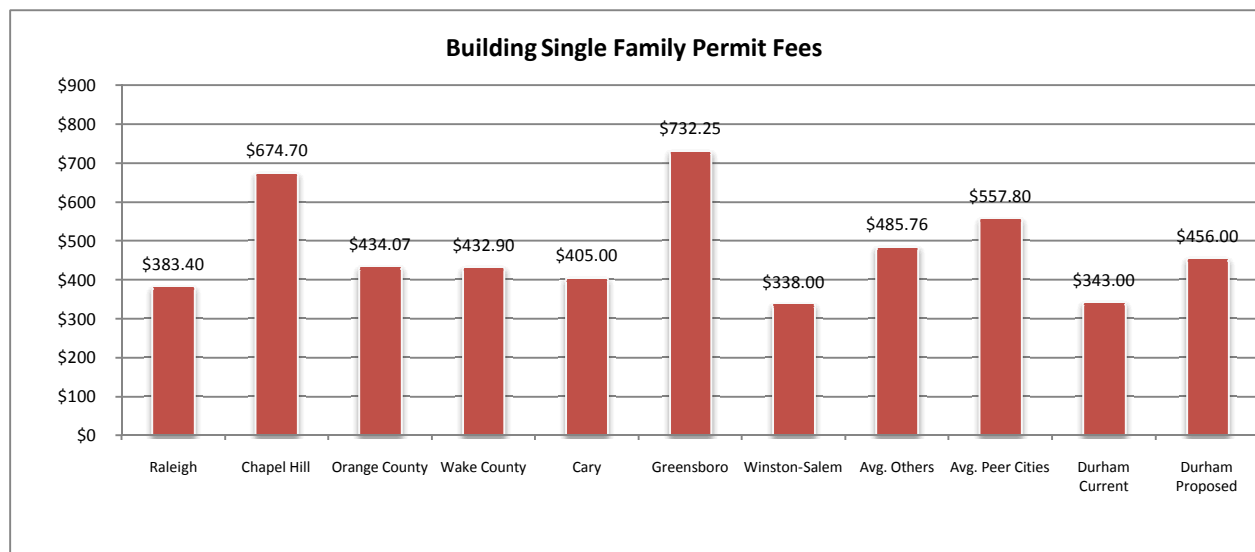
## Inspections Permit Fee Analysis FY2012

The Inspections Department is proposing a permit fee increase for very specific types of building, mechanical and plumbing permits, to be effective with the FY 2012 budget. This proposal is not an “across the board” increase, but is directed to the specific permits that generate fees below the cost associated with the resources required to complete the inspections. The proposed increases are for residential building, mechanical, and plumbing permits, and one adjustment to the mechanical commercial upfit permit fee ceiling.

The last actual building permit fee increase was effective in July 2000. The previous increase before the July 2000 one was in 1989. The last fee increase for residential new one and two family mechanical and plumbing permit fees was in July 2000 also. The plumbing and mechanical commercial fees were increased in July 2009. Also, the minimum fee for any plumbing and mechanical permits for items such as replacements, water heaters, and gas piping was increased in July 2009. The Inspections Department has implemented numerous efficiency/productivity measures that have enabled us to more effectively use our resources, thereby limiting the number of fee increases over the last 19 years. These practices have enabled us to go from a combined 55 employees in the separate City and County Inspections Departments prior to the merger in 1993, to a current budget of 36 funded employees, while the construction activity (permits issued) on the average over the years since the merger has increased. The actual number of inspections per permit for building has increased due to mandated changes in the Building Code resulting in an actual work load increase per permit.

The Inspections Department is sensitive to the economic situation and believes that the proposed fee increases will help provide for the cost of the State mandated inspections while allowing for the customer service that has been the trademark of the City-County Inspections Department.

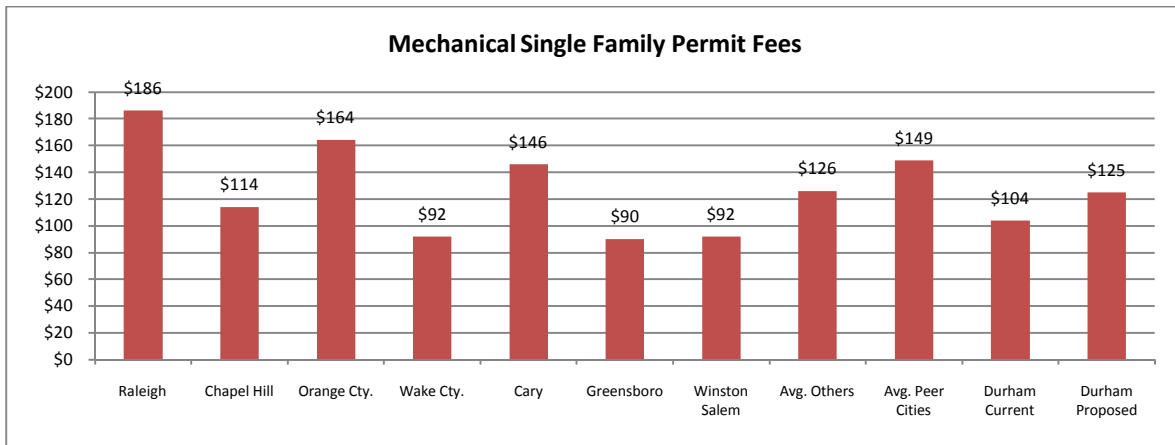
These fee increases are designed to help recover the cost for the required inspections for the building, mechanical, and plumbing trades. The proposed changes are for new single family residential, residential additions, new multifamily, and miscellaneous fees such as demolition and roofing. The chart below shows a building permit fee comparison for the typical new single family house. The “Avg. Others” is for the nearby cities (Raleigh – Winston Salem on the chart). The Peer Cites are the cities listed on the recommended benchmarking memo report approved by City Council.



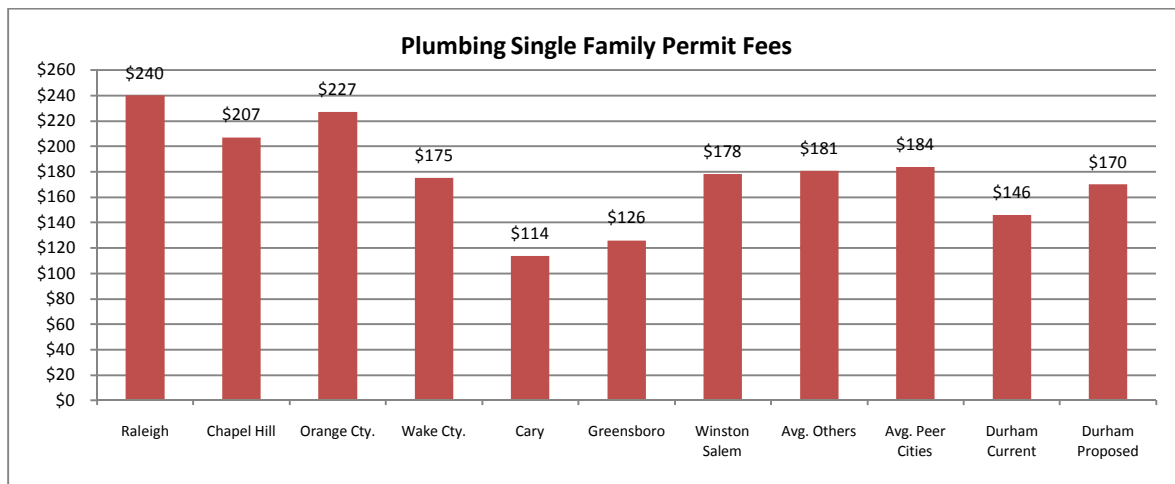
The chart above represents a 2700 square foot house. Using \$106 per square foot for the price of a new house, the cost to purchase this house would be approximately \$286,200. The increase in the building permit fee of \$113 would represent a .039% increase in total cost of the house. The fee schedule for new single family houses is based on the square footage of the house. For houses below the typical size used

in the example, the permit fee increase is less, and for houses larger than the example, the permit fee increase is more. For houses of 1200 square feet or less, there is not a fee increase proposed.

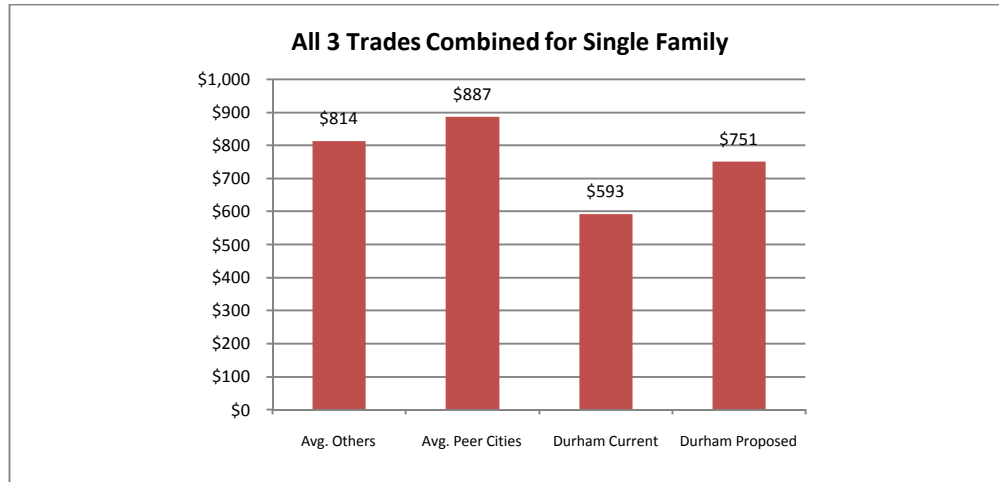
The next chart shows the permit fee comparison for the proposed mechanical fee increase for a new single family house.



The next chart shows the permit fee comparison for the proposed plumbing fee increase for a new single family house.



The last chart shows the effect of all three trade permit fee proposals combined.



The Inspections Department strives to maintain a cost recovery practice while providing prompt responses to requests by permit holders, as well as providing services in areas not directly related to permit fees. This increase will assist in allowing us to continue to excel in these areas.

A permit fee increase for signs is also proposed. This increase would bring our sign permit fees in-line with the surrounding jurisdictions.